



Reprinted
January 16, 2004

HOUSE BILL No. 1006

DIGEST OF HB 1006 (Updated January 15, 2004 4:12 pm - DI 92)

Citations Affected: IC 6-1.1; IC 6-2.3; IC 6-3; noncode.

Synopsis: Property tax deduction increases. Increases the deduction amount for the following: (1) elderly deduction; (2) blind or disabled deduction; (3) 10% disabled veteran's deduction; (4) 100% disabled or elderly veteran's deduction; (5) WWI surviving spouse deduction; (6) WWI veteran's deduction; (7) one and two family dwelling rehabilitation deduction; (8) 50 year old home rehabilitation deduction; and (9) residentially distressed area deduction. Allows a property owner to determine the year in which a five year residential rehabilitation period begins and allows a property owner to revive a deduction not taken for the assessment date in 2003 or an earlier year. Dedicates revenue generated by a 0.1% increase in the corporate adjusted gross income tax rate to 8.6% and a 0.1% increase in the utility receipts tax rate to 1.5% to freeze the property taxes of resident homeowners who are at least 65 years of age and whose adjusted gross income does not exceed \$25,000. Makes an appropriation.

Effective: Upon passage; July 1, 2004.

Welch, Becker, Adams T, Reske

December 4, 2003, read first time and referred to Committee on Ways and Means.
January 12, 2004, reported — Do Pass.
January 15, 2004, read second time, amended, ordered engrossed.

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HB 1006—LS 6601/DI 51+



Reprinted
January 16, 2004

Second Regular Session 113th General Assembly (2004)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2003 Regular Session of the General Assembly.

HOUSE BILL No. 1006

A BILL FOR AN ACT to amend the Indiana Code concerning
taxation.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 6-1.1-12-9, AS AMENDED BY P.L.272-2003,
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 UPON PASSAGE]: Sec. 9. (a) An individual may obtain a deduction
4 from the assessed value of the individual's real property, or mobile
5 home or manufactured home which is not assessed as real property, if:
6 (1) the individual is at least sixty-five (65) years of age on or
7 before December 31 of the calendar year preceding the year in
8 which the deduction is claimed;
9 (2) the combined adjusted gross income (as defined in Section 62
10 of the Internal Revenue Code) of:
11 (A) the individual and the individual's spouse; or
12 (B) the individual and all other individuals with whom:
13 (i) the individual shares ownership; or
14 (ii) the individual is purchasing the property under a
15 contract;
16 as joint tenants or tenants in common;
17 for the calendar year preceding the year in which the deduction is

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1 claimed did not exceed ~~twenty-five~~ **thirty-five** thousand dollars
 2 ~~(\$25,000); (\$35,000);~~

3 (3) the individual has owned the real property, mobile home, or
 4 manufactured home for at least one (1) year before claiming the
 5 deduction; or the individual has been buying the real property,
 6 mobile home, or manufactured home under a contract that
 7 provides that the individual is to pay the property taxes on the real
 8 property, mobile home, or manufactured home for at least one (1)
 9 year before claiming the deduction, and the contract or a
 10 memorandum of the contract is recorded in the county recorder's
 11 office;

12 (4) the individual and any individuals covered by subdivision
 13 (2)(B) reside on the real property, mobile home, or manufactured
 14 home;

15 (5) the assessed value of the real property, mobile home, or
 16 manufactured home does not exceed one hundred forty-four
 17 thousand dollars (\$144,000); and

18 (6) the individual receives no other property tax deduction for the
 19 year in which the deduction is claimed, except the deductions
 20 provided by sections 1, 37, and 38 of this chapter.

21 (b) Except as provided in subsection (h), in the case of real property,
 22 an individual's deduction under this section equals the lesser of:

23 (1) one-half (1/2) of the assessed value of the real property; or

24 (2) ~~six~~ **twelve** thousand **five hundred** dollars ~~(\$6,000); (\$12,500).~~

25 (c) Except as provided in subsection (h) and section 40.5 of this
 26 chapter, in the case of a mobile home that is not assessed as real
 27 property or a manufactured home which is not assessed as real
 28 property, an individual's deduction under this section equals the lesser
 29 of:

30 (1) one-half (1/2) of the assessed value of the mobile home or
 31 manufactured home; or

32 (2) ~~six~~ **twelve** thousand **five hundred** dollars ~~(\$6,000); (\$12,500).~~

33 (d) An individual may not be denied the deduction provided under
 34 this section because the individual is absent from the real property,
 35 mobile home, or manufactured home while in a nursing home or
 36 hospital.

37 (e) For purposes of this section, if real property, a mobile home, or
 38 a manufactured home is owned by:

39 (1) tenants by the entirety;

40 (2) joint tenants; or

41 (3) tenants in common;

42 only one (1) deduction may be allowed. However, the age requirement

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is satisfied if any one (1) of the tenants is at least sixty-five (65) years of age.

(f) A surviving spouse is entitled to the deduction provided by this section if:

(1) the surviving spouse is at least sixty (60) years of age on or before December 31 of the calendar year preceding the year in which the deduction is claimed;

(2) the surviving spouse's deceased husband or wife was at least sixty-five (65) years of age at the time of a death;

(3) the surviving spouse has not remarried; and

(4) the surviving spouse satisfies the requirements prescribed in subsection (a)(2) through (a)(6).

(g) An individual who has sold real property to another person under a contract that provides that the contract buyer is to pay the property taxes on the real property may not claim the deduction provided under this section against that real property.

(h) In the case of tenants covered by subsection (a)(2)(B), if all of the tenants are not at least sixty-five (65) years of age, the deduction allowed under this section shall be reduced by an amount equal to the deduction multiplied by a fraction. The numerator of the fraction is the number of tenants who are not at least sixty-five (65) years of age, and the denominator is the total number of tenants.

SECTION 2. IC 6-1.1-12-11, AS AMENDED BY P.L.291-2001, SECTION 133, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. (a) Except as provided in section 40.5 of this chapter, an individual may have the sum of ~~six~~ **twelve** thousand ~~five hundred~~ **five hundred** dollars (~~\$6,000~~) (**\$12,500**) deducted from the assessed value of real property, mobile home not assessed as real property, or manufactured home not assessed as real property that the individual owns, or that the individual is buying under a contract that provides that the individual is to pay property taxes on the real property, mobile home, or manufactured home, if the contract or a memorandum of the contract is recorded in the county recorder's office, and if:

(1) the individual is blind or the individual is a disabled person;

(2) the real property, mobile home, or manufactured home is principally used and occupied by the individual as the individual's residence; and

(3) the individual's taxable gross income for the calendar year preceding the year in which the deduction is claimed did not exceed seventeen thousand dollars (\$17,000).

(b) For purposes of this section, taxable gross income does not

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1 include income which is not taxed under the federal income tax laws.

2 (c) For purposes of this section, "blind" has the same meaning as the
3 definition contained in IC 12-7-2-21(1).

4 (d) For purposes of this section, "disabled person" means a person
5 unable to engage in any substantial gainful activity by reason of a
6 medically determinable physical or mental impairment which:

7 (1) can be expected to result in death; or

8 (2) has lasted or can be expected to last for a continuous period of
9 not less than twelve (12) months.

10 (e) Disabled persons filing claims under this section shall submit
11 proof of disability in such form and manner as the department shall by
12 rule prescribe. Proof that a claimant is eligible to receive disability
13 benefits under the federal Social Security Act (42 U.S.C. 301 et seq.)
14 shall constitute proof of disability for purposes of this section.

15 (f) A disabled person not covered under the federal Social Security
16 Act shall be examined by a physician and the individual's status as a
17 disabled person determined by using the same standards as used by the
18 Social Security Administration. The costs of this examination shall be
19 borne by the claimant.

20 (g) An individual who has sold real property, a mobile home not
21 assessed as real property, or a manufactured home not assessed as real
22 property to another person under a contract that provides that the
23 contract buyer is to pay the property taxes on the real property, mobile
24 home, or manufactured home may not claim the deduction provided
25 under this section against that real property, mobile home, or
26 manufactured home.

27 SECTION 3. IC 6-1.1-12-13, AS AMENDED BY P.L.291-2001,
28 SECTION 135, IS AMENDED TO READ AS FOLLOWS
29 [EFFECTIVE UPON PASSAGE]: Sec. 13. (a) Except as provided in
30 section 40.5 of this chapter, an individual may have ~~twelve~~ **twenty-five**
31 thousand dollars (~~\$12,000~~) (**\$25,000**) deducted from the assessed value
32 of the taxable tangible property that the individual owns, or real
33 property, a mobile home not assessed as real property, or a
34 manufactured home not assessed as real property that the individual is
35 buying under a contract that provides that the individual is to pay
36 property taxes on the real property, mobile home, or manufactured
37 home, if the contract or a memorandum of the contract is recorded in
38 the county recorder's office and if:

39 (1) the individual served in the military or naval forces of the
40 United States during any of its wars;

41 (2) the individual received an honorable discharge;

42 (3) the individual is disabled with a service connected disability

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of ten percent (10%) or more; and

(4) the individual's disability is evidenced by:

(A) a pension certificate, an award of compensation, or a disability compensation check issued by the United States Department of Veterans Affairs; or

(B) a certificate of eligibility issued to the individual by the Indiana department of veterans' affairs after the Indiana department of veterans' affairs has determined that the individual's disability qualifies the individual to receive a deduction under this section.

(b) The surviving spouse of an individual may receive the deduction provided by this section if the individual would qualify for the deduction if the individual were alive.

(c) One who receives the deduction provided by this section may not receive the deduction provided by section 16 of this chapter. However, the individual may receive any other property tax deduction which the individual is entitled to by law.

(d) An individual who has sold real property, a mobile home not assessed as real property, or a manufactured home not assessed as real property to another person under a contract that provides that the contract buyer is to pay the property taxes on the real property, mobile home, or manufactured home may not claim the deduction provided under this section against that real property, mobile home, or manufactured home.

SECTION 4. IC 6-1.1-12-14, AS AMENDED BY P.L.272-2003, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 14. (a) Except as provided in subsection (c) and except as provided in section 40.5 of this chapter, an individual may have the sum of ~~six~~ **twelve** thousand **five hundred** dollars ~~(\$6,000)~~ **(\$12,500)** deducted from the assessed value of the tangible property that the individual owns (or the real property, mobile home not assessed as real property, or manufactured home not assessed as real property that the individual is buying under a contract that provides that the individual is to pay property taxes on the real property, mobile home, or manufactured home if the contract or a memorandum of the contract is recorded in the county recorder's office) if:

(1) the individual served in the military or naval forces of the United States for at least ninety (90) days;

(2) the individual received an honorable discharge;

(3) the individual either:

(A) is totally disabled; or

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1 (B) is at least sixty-two (62) years old and has a disability of at
 2 least ten percent (10%); and
 3 (4) the individual's disability is evidenced by:
 4 (A) a pension certificate or an award of compensation issued
 5 by the United States Department of Veterans Affairs; or
 6 (B) a certificate of eligibility issued to the individual by the
 7 Indiana department of veterans' affairs after the Indiana
 8 department of veterans' affairs has determined that the
 9 individual's disability qualifies the individual to receive a
 10 deduction under this section.
 11 (b) Except as provided in subsection (c), the surviving spouse of an
 12 individual may receive the deduction provided by this section if the
 13 individual would qualify for the deduction if the individual were alive.
 14 (c) No one is entitled to the deduction provided by this section if the
 15 assessed value of the individual's tangible property, as shown by the tax
 16 duplicate, exceeds one hundred thirteen thousand dollars (\$113,000).
 17 (d) An individual who has sold real property, a mobile home not
 18 assessed as real property, or a manufactured home not assessed as real
 19 property to another person under a contract that provides that the
 20 contract buyer is to pay the property taxes on the real property, mobile
 21 home, or manufactured home may not claim the deduction provided
 22 under this section against that real property, mobile home, or
 23 manufactured home.
 24 SECTION 5. IC 6-1.1-12-16, AS AMENDED BY P.L.291-2001,
 25 SECTION 138, IS AMENDED TO READ AS FOLLOWS
 26 [EFFECTIVE UPON PASSAGE]: Sec. 16. (a) Except as provided in
 27 section 40.5 of this chapter, a surviving spouse may have the sum of
 28 ~~nine eighteen~~ thousand ~~seven hundred~~ dollars ~~(\$9,000)~~ **(\$18,700)**
 29 deducted from the assessed value of his or her tangible property, or real
 30 property, mobile home not assessed as real property, or manufactured
 31 home not assessed as real property that the surviving spouse is buying
 32 under a contract that provides that he is to pay property taxes on the
 33 real property, mobile home, or manufactured home, if the contract or
 34 a memorandum of the contract is recorded in the county recorder's
 35 office, and if:
 36 (1) the deceased spouse served in the military or naval forces of
 37 the United States before November 12, 1918; and
 38 (2) the deceased spouse received an honorable discharge.
 39 (b) A surviving spouse who receives the deduction provided by this
 40 section may not receive the deduction provided by section 13 of this
 41 chapter. However, he or she may receive any other deduction which he
 42 or she is entitled to by law.

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(c) An individual who has sold real property, a mobile home not assessed as real property, or a manufactured home not assessed as real property to another person under a contract that provides that the contract buyer is to pay the property taxes on the real property, mobile home, or manufactured home may not claim the deduction provided under this section against that real property, mobile home, or manufactured home.

SECTION 6. IC 6-1.1-12-17.4, AS AMENDED BY P.L.272-2003, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 17.4. (a) Except as provided in section 40.5 of this chapter, a World War I veteran who is a resident of Indiana is entitled to have the sum of ~~nine~~ **eighteen** thousand **seven hundred** dollars (~~\$9,000~~) (**\$18,700**) deducted from the assessed valuation of the real property (including a mobile home that is assessed as real property), mobile home that is not assessed as real property, or manufactured home that is not assessed as real property the veteran owns or is buying under a contract that requires the veteran to pay property taxes on the real property, if the contract or a memorandum of the contract is recorded in the county recorder's office, if:

- (1) the real property, mobile home, or manufactured home is the veteran's principal residence;
- (2) the assessed valuation of the real property, mobile home, or manufactured home does not exceed one hundred sixty-three thousand dollars (\$163,000); and
- (3) the veteran owns the real property, mobile home, or manufactured home for at least one (1) year before claiming the deduction.

(b) An individual may not be denied the deduction provided by this section because the individual is absent from the individual's principal residence while in a nursing home or hospital.

(c) For purposes of this section, if real property, a mobile home, or a manufactured home is owned by a husband and wife as tenants by the entirety, only one (1) deduction may be allowed under this section. However, the deduction provided in this section applies if either spouse satisfies the requirements prescribed in subsection (a).

(d) An individual who has sold real property, a mobile home not assessed as real property, or a manufactured home not assessed as real property to another person under a contract that provides that the contract buyer is to pay the property taxes on the real property, mobile home, or manufactured home may not claim the deduction provided under this section with respect to that real property, mobile home, or manufactured home.

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SECTION 7. IC 6-1.1-12-18, AS AMENDED BY P.L.90-2002, SECTION 110, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 18. (a) If the assessed value of residential real property described in subsection (d) is increased because it has been rehabilitated, the owner may have deducted from the assessed value of the property an amount not to exceed the lesser of:

(1) the total increase in assessed value resulting from the rehabilitation; or

(2) ~~nine~~ **eighteen** thousand **seven hundred** dollars ~~(\$9,000)~~ **(\$18,700)** per rehabilitated dwelling unit.

The owner is entitled to this deduction annually for a five (5) year period.

(b) For purposes of this section, the term "rehabilitation" means significant repairs, replacements, or improvements to an existing structure which are intended to increase the livability, utility, safety, or value of the property under rules adopted by the department of local government finance.

(c) For the purposes of this section, the term "owner" or "property owner" includes any person who has the legal obligation, or has otherwise assumed the obligation, to pay the real property taxes on the rehabilitated property.

(d) The deduction provided by this section applies only for the rehabilitation of residential real property which is located within this state and which is described in one (1) of the following classifications:

(1) a single family dwelling if before rehabilitation the assessed value (excluding any exemptions or deductions) of the improvements does not exceed ~~eighteen~~ **thirty-seven** thousand **four hundred** dollars ~~(\$18,000);~~ **(\$37,400);**

(2) a two (2) family dwelling if before rehabilitation the assessed value (excluding exemptions or deductions) of the improvements does not exceed ~~twenty-four~~ **forty-nine** thousand **nine hundred** dollars ~~(\$24,000);~~ **(\$49,900);** and

(3) a dwelling with more than two (2) family units if before rehabilitation the assessed value (excluding any exemptions or deductions) of the improvements does not exceed ~~nine~~ **eighteen** thousand **seven hundred** dollars ~~(\$9,000)~~ **(\$18,700)** per dwelling unit.

SECTION 8. IC 6-1.1-12-19 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 19. **(a) Except as provided in subsection (b),** the deduction from assessed value provided by section 18 of this chapter is first available in the year in

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which the increase in assessed value resulting from the rehabilitation occurs and ~~shall continue~~ **continues** for **each of the immediately** following four (4) years in ~~the sixth (6th) year~~, **the county auditor shall add the amount of the deduction to the assessed value of the real property which the property owner remains the owner of the property as of the assessment date.**

(b) A property owner may:

(1) in a year after the year referred to in subsection (a), obtain a deduction that:

(A) would otherwise first apply for the assessment date in 2004 or a later year; and

(B) was not made to the assessed value for any year; or

(2) obtain a deduction that:

(A) would otherwise have first applied for the assessment date in 2003 or an earlier year; and

(B) was not made to the assessed value for any year.

If the property owner obtains a deduction under this subsection, the deduction applies in the year for which the application is filed and continues for each of the immediately following four (4) years in which the property owner remains the owner of the property as of the assessment date.

(c) A general reassessment of real property which occurs within the five (5) year period of the deduction does not affect the amount of the deduction.

SECTION 9. IC 6-1.1-12-20, AS AMENDED BY P.L.90-2002, SECTION 111, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 20. (a) A property owner who desires to obtain the deduction provided by section 18 of this chapter must file a certified deduction application, on forms prescribed by the department of local government finance, with the auditor of the county in which the rehabilitated property is located. The application may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing. Except as provided in subsection (b) **or (c),** the application must be filed before May 10 of the year in which the addition to assessed value is made.

(b) If notice of the addition to assessed value for any year is not given to the property owner before April 10 of that year, the application required by ~~this section~~ **subsection (a)** may be filed not later than thirty (30) days after the date ~~such a~~ **the** notice is mailed to the property owner at the address shown on the records of the township assessor.

(c) An application for a deduction referred to in section 19(b) of this chapter with respect to an assessment date must be filed before

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the May 10 that next follows the assessment date.

(d) The application required by this section shall contain the following information:

- (1) A description of the property for which a deduction is claimed in sufficient detail to afford identification.
- (2) Statements of the ownership of the property.
- (3) The assessed value of the improvements on the property before rehabilitation.
- (4) The number of dwelling units on the property.
- (5) The number of dwelling units rehabilitated.
- (6) The increase in assessed value resulting from the rehabilitation. ~~and~~
- (7) The amount of deduction claimed.

~~(d)~~ (e) A deduction application filed under this section is applicable for:

- (1) the year in for which the increase in assessed value occurs **deduction application is filed;** and for
- (2) **each of** the immediately following four (4) years **in which the property owner remains the owner of the property as of the assessment date;**

without any additional application being filed.

~~(e)~~ (f) On verification of an application by the assessor of the township in which the property is located, the county auditor shall make the deduction.

SECTION 10. IC 6-1.1-12-22, AS AMENDED BY P.L.90-2002, SECTION 112, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 22. (a) If the assessed value of property is increased because it has been rehabilitated and the owner has paid at least ten thousand dollars (\$10,000) for the rehabilitation, the owner is entitled to have deducted from the assessed value of the property an amount equal to fifty percent (50%) of the increase in assessed value resulting from the rehabilitation. The owner is entitled to this deduction annually for a five (5) year period. However, the maximum deduction which a property owner may receive under this section for a particular year is:

- (1) ~~sixty one hundred twenty-four~~ thousand **eight hundred** dollars ~~(\$60,000)~~ **(\$124,800)** for a single family dwelling unit; or
- (2) ~~three five~~ hundred thousand dollars ~~(\$300,000)~~ **(\$500,000)** for any other type of property.

(b) For purposes of this section, the term "property" means a building or structure which was erected at least fifty (50) years before the date of application for the deduction provided by this section. The

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term "property" does not include land.

(c) For purposes of this section, the term "rehabilitation" means significant repairs, replacements, or improvements to an existing structure that are intended to increase the livability, utility, safety, or value of the property under rules adopted by the department of local government finance.

SECTION 11. IC 6-1.1-12-23, AS AMENDED BY P.L.129-2001, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 23. **(a) Except as provided in subsection (b), the deduction from assessed value provided by section 22 of this chapter is first available after the first assessment date following in the year in which the increase in assessed value resulting from the rehabilitation occurs and shall continue continues for the taxes first due and payable in each of the immediately following five (5) four (4) years in the sixth (6th) year; the county auditor shall add the amount of the deduction to the assessed value of the property which the property owner remains the owner of the property as of the assessment date.**

(b) A property owner may:

(1) in a year after the year referred to in subsection (a), obtain a deduction that:

(A) would otherwise first apply for the assessment date in 2004 or a later year; and

(B) was not made to the assessed value for any year; or

(2) obtain a deduction that:

(A) would otherwise have first applied for the assessment date in 2003 or an earlier year; and

(B) was not made to the assessed value for any year.

If the property owner obtains a deduction under this subsection, the deduction applies in the year for which the application is filed and continues for each of the immediately following four (4) years in which the property owner remains the owner of the property as of the assessment date.

(c) Any general reassessment of real property which occurs within the five (5) year period of the deduction does not affect the amount of the deduction.

SECTION 12. IC 6-1.1-12-24, AS AMENDED BY P.L.90-2002, SECTION 113, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 24. (a) A property owner who desires to obtain the deduction provided by section 22 of this chapter must file a certified deduction application, on forms prescribed by the department of local government finance, with the auditor of the county

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in which the property is located. The application may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing. Except as provided in subsection (b) **or (c)**, the application must be filed before May 10 of the year in which the addition to assessed ~~valuation~~ **value** is made.

(b) If notice of the addition to assessed ~~valuation~~ **value** for any year is not given to the property owner before April 10 of that year, the application required by ~~this section~~ **subsection (a)** may be filed not later than thirty (30) days after the date such a notice is mailed to the property owner at the address shown on the records of the township assessor.

(c) An application for a deduction referred to in section 23(b) of this chapter with respect to an assessment date must be filed before the May 10 that next follows the assessment date.

(d) The application required by this section shall contain the following information:

- (1) The name of the property owner.
- (2) A description of the property for which a deduction is claimed in sufficient detail to afford identification.
- (3) The assessed value of the improvements on the property before rehabilitation.
- (4) The increase in the assessed value of improvements resulting from the rehabilitation. ~~and~~
- (5) The amount of deduction claimed.

~~(d)~~ **(e)** A deduction application filed under this section is applicable for:

- (1) the year in for which the addition to assessed value is made deduction application is filed; and in**
- (2) each of the immediate immediately following four (4) years in which the property owner remains the property owner as of the assessment date;**

without any additional application being filed.

~~(e)~~ **(f)** On verification of the correctness of an application by the assessor of the township in which the property is located, the county auditor shall make the deduction.

SECTION 13. IC 6-1.1-12.1-4.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4.1. (a) Section 4 of this chapter applies to economic revitalization areas that are not residentially distressed areas.

(b) This subsection applies to economic revitalization areas that are residentially distressed areas. The amount of the deduction that a property owner is entitled to receive under section 3 of this chapter for

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a particular year equals the lesser of:

- (1) the assessed value of the improvement to the property after the rehabilitation or redevelopment has occurred; or
- (2) the following amount:

TYPE OF DWELLING	AMOUNT
One (1) family dwelling	\$36,000 \$74,900
Two (2) family dwelling	\$51,000 \$106,100
Three (3) unit multifamily dwelling	\$75,000 \$156,000
Four (4) unit multifamily dwelling	\$96,000 \$199,700

SECTION 14. IC 6-1.1-21-5.2 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: **Sec. 5.2. (a) The following definitions apply throughout this section:**

- (1) "Base year" means the most recent calendar year:
 - (A) in which an individual qualifies and files for the credit under this section; and
 - (B) that is preceded by a calendar year in which the individual did not qualify or file for the credit under this section.
- (2) "Homestead" means an individual's principal place of residence for which the individual receives a homestead credit under IC 6-1.1-20.9.
- (3) "Net property tax bill" means the amount of property taxes due and payable by an individual for a particular calendar year after the application of all deductions and credits, except for the credit allowed under this section, as evidenced by the tax statements prepared and mailed under IC 6-1.1-22-8.
- (4) "Qualifying individual" means an individual:
 - (A) who is at least sixty-five (65) years of age on or before December 31 of the calendar year preceding the year in which the credit under this section is claimed; and
 - (B) whose adjusted gross income (as defined in IC 6-3-1-3.5), either individually or in combination with the adjusted gross income of:
 - (i) the individual's spouse; or
 - (ii) any other individual with whom the individual shares ownership of or is purchasing the property under contract as joint tenants or tenants in common;
 for the calendar year preceding the year in which the credit is claimed did not exceed twenty-five thousand dollars (\$25,000).

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(b) Each year a qualifying individual is entitled to receive a credit against the net property tax bill on the individual's homestead. The amount of the credit to which a qualifying individual is entitled equals the difference between:

- (1) the net property tax bill, before the application of the credit under this section, on the individual's homestead for the calendar year for which the credit is being claimed; minus
- (2) the net property tax billed to the individual for that homestead for the individual's base year.

(c) An individual who desires to claim the credit provided by this section must file a certified statement in duplicate, on forms prescribed by the department of local government finance, with the auditor of the county in which the individual's homestead is located. The statement must be filed during the twelve (12) months before May 11 of the year before the first year for which the person wishes to obtain the credit under this section. The statement must contain the following information:

- (1) The individual's full name and complete address.
- (2) A description of the individual's homestead and the number of years that the individual has resided at that homestead.
- (3) Proof of the individual's age.
- (4) The name of any other county and township in which the individual owns or is buying real property.
- (5) The source and exact amount of gross income received during the preceding calendar year by the individual and any of the following, if applicable:
 - (A) The individual's spouse.
 - (B) Any other individual with whom the individual shares ownership of or is purchasing the homestead under contract as joint tenants or tenants in common.
- (6) The record number and page where the contract or memorandum of the contract is recorded, if the individual is buying the homestead on contract.
- (7) Any other information requested by the department of local government finance.

(d) To substantiate a claim statement, an individual shall submit for inspection by the county auditor a copy of state income tax returns for the preceding calendar year for the following, as applicable:

- (1) The individual.
- (2) The individual's spouse.

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(3) Any other individual with whom the individual shares ownership of or is purchasing the homestead under contract as joint tenants or tenants in common.

If an individual described in this subsection was not required to file a state income tax return, the individual shall state that fact in the claim statement.

(e) The auditor of a county with whom a statement is filed under this section shall immediately prepare and transmit a copy of the statement to the auditor of any other county if the individual who claims the credit owns or is buying real property located in the other county. The county auditor of the other county shall note on the copy of the statement whether the individual has claimed a credit under this section for a homestead located in the other county. The auditor shall then return the copy to the auditor of the first county.

(f) Upon receiving a proper credit statement, the county auditor shall allow the credit equally against each installment of property taxes to which the credit applies. The county auditor shall include the amount of the credit applied against each installment of taxes on the tax statement required under IC 6-1.1-22-8.

(g) After January 31 and before February 15 of each year, each county auditor shall certify to the department of local government finance the number and amounts of the credits allowed under this section for that calendar year. Upon receiving the certifications, the department of local government finance shall determine the total amount of the credits allowed in each county under this section and shall certify the totals to the department of state revenue at the same time the department of local government finance certifies the total county tax levies. The department of state revenue shall distribute to each county from the property tax replacement fund the amount of credits certified for that county by the department of local government finance at the same time and in the same manner as the department of state revenue distributes the county's estimated distribution under section 10 of this chapter. Money is annually appropriated from the property tax replacement fund in an amount necessary to make the distributions.

SECTION 15. IC 6-2.3-2-2, AS ADDED BY P.L.192-2002(ss), SECTION 47, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 2. The receipt of taxable gross receipts from transactions is subject to a tax rate of one and ~~four-tenths~~ **five-tenths** percent (~~1.4%~~): **(1.5%)**.

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SECTION 16. IC 6-2.3-8-1, AS ADDED BY P.L.192-2002(ss), SECTION 47, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 1. On or before the fifth day of each month, the total amount of utility receipts tax revenues received by the department in the immediately preceding month shall be deposited **as follows:**

(1) **Ninety-four percent (94%)** in the state general fund.

(2) **Six percent (6%) in the property tax replacement fund.**

SECTION 17. IC 6-3-2-1, AS AMENDED BY P.L.192-2002(ss), SECTION 70, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 1. (a) Each taxable year, a tax at the rate of three and four-tenths percent (3.4%) of adjusted gross income is imposed upon the adjusted gross income of every resident person, and on that part of the adjusted gross income derived from sources within Indiana of every nonresident person.

(b) Each taxable year, a tax at the rate of eight and ~~five-tenths~~ **six-tenths** percent (~~8.5%~~) (**8.6%**) of adjusted gross income is imposed on that part of the adjusted gross income derived from sources within Indiana of every corporation.

SECTION 18. IC 6-3-7-3, AS AMENDED BY P.L.192-2002(ss), SECTION 83, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 3. (a) All revenues derived from collection of the adjusted gross income tax imposed on corporations shall be deposited in the state general fund.

(b) All revenues derived from collection of the adjusted gross income tax imposed on persons shall be deposited as follows:

(1) ~~Eighty-six~~ **Eighty-five** percent (~~86%~~) (**85%**) in the state general fund.

(2) ~~Fourteen~~ **Fifteen** percent (~~14%~~) (**15%**) in the property tax replacement fund.

SECTION 19. [EFFECTIVE JULY 1, 2004] (a) **IC 6-1.1-21-5.2, as added by this act, applies to credit claims filed after December 31, 2003.**

(b) **IC 6-1.1-21-5.2, as added by this act, applies to property taxes first due and payable after December 31, 2004.**

(c) **IC 6-2.3-2-2, as amended by this act, applies to transactions billed after June 30, 2004.**

(d) **IC 6-3-2-1, as amended by this act, applies to adjusted gross income derived from sources in Indiana after June 30, 2004, as determined in the manner prescribed by the department of state revenue.**

SECTION 20. [EFFECTIVE UPON PASSAGE] (a) **The definitions in IC 6-1.1-1 apply throughout this SECTION.**

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(b) The following apply only to property taxes first due and payable after December 31, 2003, for assessment dates after February 28, 2003:

IC 6-1.1-12-9, as amended by this act

IC 6-1.1-12-11, as amended by this act

IC 6-1.1-12-13, as amended by this act

IC 6-1.1-12-14, as amended by this act

IC 6-1.1-12-16, as amended by this act

IC 6-1.1-12-17.4, as amended by this act

IC 6-1.1-12-18, as amended by this act

IC 6-1.1-12-22, as amended by this act

IC 6-1.1-12.1-4.1, as amended by this act.

(c) Notwithstanding IC 6-1.1-12, the time in which a person may file the initial application for a deduction described in subsection (b) for property taxes first due and payable in 2004 is extended from May 10, 2003, to the close of regular business hours for the office of the county auditor on January 9, 2004.

(d) The department of local government finance may adopt temporary rules in the manner provided for the adoption of emergency rules under IC 4-22-2-37.1 to implement this SECTION. A temporary rule adopted under this SECTION expires on the earliest of the following:

(1) The date another temporary rule is adopted under this SECTION to supersede the previously adopted temporary rule.

(2) The date that a permanent rule superseding the temporary rule is adopted and becomes effective under IC 4-22-2.

(3) January 1, 2005.

(e) For property taxes first due and payable in 2004, the department of local government finance shall recalculate the tax rate of each political subdivision to account for any changes in assessed valuation that result from the passage of this act. The department of local government finance shall certify the recalculated rates to each county auditor.

SECTION 21. An emergency is declared for this act.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1006, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

CRAWFORD, Chair

Committee Vote: yeas 27, nays 0.

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HOUSE MOTION

Mr. Speaker: I move that House Bill 1006 be amended to read as follows:

Page 2, line 24, delete "four hundred eighty" and insert "**five hundred**".

Page 2, line 25, delete "(\$12,480)." and insert "**(\$12,500).**".

Page 2, line 33, delete "four hundred eighty" and insert "**five hundred**".

Page 2, line 34, delete "(\$12,480)." and insert "**(\$12,500).**".

Page 3, line 29, delete "four hundred eighty" and insert "**five hundred**".

Page 3, line 29, delete "(\$12,480)" and insert "**(\$12,500)**".

Page 4, line 33, delete "twenty-four" and insert "**twenty-five**".

Page 4, line 33, delete "nine hundred sixty".

Page 4, line 33, delete "(\$24,960)" and insert "**(\$25,000)**".

Page 5, line 31, delete "four hundred eighty" and insert "**five hundred**".

Page 5, line 32, delete "(\$12,480)" and insert "**(\$12,500)**".

Page 6, line 30, delete "twenty".

Page 6, line 31, delete "(\$18,720)" and insert "**(\$18,700)**".

Page 7, line 15, delete "twenty".

Page 7, line 15, delete "(\$18,720)" and insert "**(\$18,700)**".

Page 8, line 12, delete "twenty".

Page 8, line 13, delete "(\$18,720)" and insert "**(\$18,700)**".

Page 8, line 31, delete "forty".

Page 8, line 31, delete "(\$37,440);" and insert "**(\$37,400);**".

Page 8, line 35, delete "twenty".

Page 8, line 35, delete "(\$49,920);" and insert "**(\$49,900);**".

Page 8, line 39, delete "twenty".

Page 8, line 39, delete "(\$18,720)" and insert "**(\$18,700)**".

Page 8, between lines 40 and 41, begin a new paragraph and insert:

"SECTION 8. IC 6-1.1-12-19 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 19. **(a) Except as provided in subsection (b),** the deduction from assessed value provided by section 18 of this chapter is first available in the year in which the increase in assessed value resulting from the rehabilitation occurs and ~~shall continue~~ **continues** for **each of the immediately** following four (4) years in ~~the sixth (6th) year, the county auditor shall add the amount of the deduction to the assessed value of the real property, which the property owner remains the owner of the property as of the assessment date.~~



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(b) A property owner may:

(1) in a year after the year referred to in subsection (a), obtain a deduction that:

(A) would otherwise first apply for the assessment date in 2004 or a later year; and

(B) was not made to the assessed value for any year; or

(2) obtain a deduction that:

(A) would otherwise have first applied for the assessment date in 2003 or an earlier year; and

(B) was not made to the assessed value for any year.

If the property owner obtains a deduction under this subsection, the deduction applies in the year for which the application is filed and continues for each of the immediately following four (4) years in which the property owner remains the owner of the property as of the assessment date.

(c) A general reassessment of real property which occurs within the five (5) year period of the deduction does not affect the amount of the deduction.

SECTION 9. IC 6-1.1-12-20, AS AMENDED BY P.L.90-2002, SECTION 111, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 20. (a) A property owner who desires to obtain the deduction provided by section 18 of this chapter must file a certified deduction application, on forms prescribed by the department of local government finance, with the auditor of the county in which the rehabilitated property is located. The application may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing. Except as provided in subsection (b) **or (c),** the application must be filed before May 10 of the year in which the addition to assessed value is made.

(b) If notice of the addition to assessed value for any year is not given to the property owner before April 10 of that year, the application required by ~~this section~~ subsection (a) may be filed not later than thirty (30) days after the date ~~such a~~ the notice is mailed to the property owner at the address shown on the records of the township assessor.

(c) An application for a deduction referred to in section 19(b) of this chapter with respect to an assessment date must be filed before the May 10 that next follows the assessment date.

(d) The application required by this section shall contain the following information:

(1) A description of the property for which a deduction is claimed in sufficient detail to afford identification.

(2) Statements of the ownership of the property.

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(3) The assessed value of the improvements on the property before rehabilitation.

(4) The number of dwelling units on the property.

(5) The number of dwelling units rehabilitated.

(6) The increase in assessed value resulting from the rehabilitation. ~~and~~

(7) The amount of deduction claimed.

~~(d)~~ (e) A deduction application filed under this section is applicable for:

(1) the year ~~in for~~ which the ~~increase in assessed value occurs~~ **deduction application is filed**; and ~~for~~

(2) ~~each of~~ the immediately following four (4) years ~~in which the property owner remains the owner of the property as of the assessment date~~;

without any additional application being filed.

~~(e)~~ (f) On verification of an application by the assessor of the township in which the property is located, the county auditor shall make the deduction."

Page 9, line 12, strike "three" and insert "five".

Page 9, line 12, strike "(\$300,000)" and insert "(\$500,000)".

Page 9, between lines 22 and 23, begin a new paragraph and insert:

"SECTION 11. IC 6-1.1-12-23, AS AMENDED BY P.L.129-2001, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 23. (a) **Except as provided in subsection (b),** the deduction from assessed value provided by section 22 of this chapter is first available ~~after the first assessment date following in the year in which the increase in assessed value resulting from the rehabilitation occurs and shall continue~~ **continues** for the taxes first ~~due and payable in each of the immediately following five (5) four (4) years in the sixth (6th) year; the county auditor shall add the amount of the deduction to the assessed value of the property; which the property owner remains the owner of the property as of the assessment date.~~

(b) A property owner may:

(1) in a year after the year referred to in subsection (a), obtain a deduction that:

(A) would otherwise first apply for the assessment date in 2004 or a later year; and

(B) was not made to the assessed value for any year; or

(2) obtain a deduction that:

(A) would otherwise have first applied for the assessment date in 2003 or an earlier year; and

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(B) was not made to the assessed value for any year.

If the property owner obtains a deduction under this subsection, the deduction applies in the year for which the application is filed and continues for each of the immediately following four (4) years in which the property owner remains the owner of the property as of the assessment date.

(c) Any general reassessment of real property which occurs within the five (5) year period of the deduction does not affect the amount of the deduction.

SECTION 12. IC 6-1.1-12-24, AS AMENDED BY P.L.90-2002, SECTION 113, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 24. (a) A property owner who desires to obtain the deduction provided by section 22 of this chapter must file a certified deduction application, on forms prescribed by the department of local government finance, with the auditor of the county in which the property is located. The application may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing. Except as provided in subsection (b) **or (c)**, the application must be filed before May 10 of the year in which the addition to assessed ~~valuation~~ **value** is made.

(b) If notice of the addition to assessed ~~valuation~~ **value** for any year is not given to the property owner before April 10 of that year, the application required by ~~this section~~ **subsection (a)** may be filed not later than thirty (30) days after the date such a notice is mailed to the property owner at the address shown on the records of the township assessor.

(c) An application for a deduction referred to in section 23(b) of this chapter with respect to an assessment date must be filed before the May 10 that next follows the assessment date.

(d) The application required by this section shall contain the following information:

- (1) The name of the property owner.
- (2) A description of the property for which a deduction is claimed in sufficient detail to afford identification.
- (3) The assessed value of the improvements on the property before rehabilitation.
- (4) The increase in the assessed value of improvements resulting from the rehabilitation. ~~and~~
- (5) The amount of deduction claimed.

~~(d)~~ **(e)** A deduction application filed under this section is applicable for:

- (1) the year ~~in for~~ which the ~~addition to assessed value~~ **is made**

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deduction application is filed; and in

(2) each of the immediate immediately following four (4) years in which the property owner remains the property owner as of the assessment date;

without any additional application being filed.

~~(e)~~ **(f)** On verification of the correctness of an application by the assessor of the township in which the property is located, the county auditor shall make the deduction."

Page 9, line 35, delete "\$74,880" and insert "**\$74,900**".

Page 9, line 36, delete "\$106,080" and insert "**\$106,100**".

Page 9, line 38, delete "\$199,680" and insert "**199,700**".

Page 10, between lines 25 and 26, begin a new paragraph and insert:

"(e) For property taxes first due and payable in 2004, the department of local government finance shall recalculate the tax rate of each political subdivision to account for any changes in assessed valuation that result from the passage of this act. The department of local government finance shall certify the recalculated rates to each county auditor."

Renumber all SECTIONS consecutively.

(Reference is to HB 1006 as printed January 13, 2004.)

WELCH

HOUSE MOTION

Mr. Speaker: I move that House Bill 1006 be amended to read as follows:

Page 9, between lines 38 and 39, begin a new paragraph and insert:

"SECTION 10. IC 6-1.1-21-5.2 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: **Sec. 5.2. (a) The following definitions apply throughout this section:**

(1) "Base year" means the most recent calendar year:

(A) in which an individual qualifies and files for the credit under this section; and

(B) that is preceded by a calendar year in which the individual did not qualify or file for the credit under this section.

(2) "Homestead" means an individual's principal place of residence for which the individual receives a homestead credit under IC 6-1.1-20.9.

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(3) "Net property tax bill" means the amount of property taxes due and payable by an individual for a particular calendar year after the application of all deductions and credits, except for the credit allowed under this section, as evidenced by the tax statements prepared and mailed under IC 6-1.1-22-8.

(4) "Qualifying individual" means an individual:

(A) who is at least sixty-five (65) years of age on or before December 31 of the calendar year preceding the year in which the credit under this section is claimed; and

(B) whose adjusted gross income (as defined in IC 6-3-1-3.5), either individually or in combination with the adjusted gross income of:

(i) the individual's spouse; or

(ii) any other individual with whom the individual shares ownership of or is purchasing the property under contract as joint tenants or tenants in common;

for the calendar year preceding the year in which the credit is claimed did not exceed twenty-five thousand dollars (\$25,000).

(b) Each year a qualifying individual is entitled to receive a credit against the net property tax bill on the individual's homestead. The amount of the credit to which a qualifying individual is entitled equals the difference between:

(1) the net property tax bill, before the application of the credit under this section, on the individual's homestead for the calendar year for which the credit is being claimed; minus

(2) the net property tax billed to the individual for that homestead for the individual's base year.

(c) An individual who desires to claim the credit provided by this section must file a certified statement in duplicate, on forms prescribed by the department of local government finance, with the auditor of the county in which the individual's homestead is located. The statement must be filed during the twelve (12) months before May 11 of the year before the first year for which the person wishes to obtain the credit under this section. The statement must contain the following information:

(1) The individual's full name and complete address.

(2) A description of the individual's homestead and the number of years that the individual has resided at that homestead.

(3) Proof of the individual's age.

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(4) The name of any other county and township in which the individual owns or is buying real property.

(5) The source and exact amount of gross income received during the preceding calendar year by the individual and any of the following, if applicable:

(A) The individual's spouse.

(B) Any other individual with whom the individual shares ownership of or is purchasing the homestead under contract as joint tenants or tenants in common.

(6) The record number and page where the contract or memorandum of the contract is recorded, if the individual is buying the homestead on contract.

(7) Any other information requested by the department of local government finance.

(d) To substantiate a claim statement, an individual shall submit for inspection by the county auditor a copy of state income tax returns for the preceding calendar year for the following, as applicable:

(1) The individual.

(2) The individual's spouse.

(3) Any other individual with whom the individual shares ownership of or is purchasing the homestead under contract as joint tenants or tenants in common.

If an individual described in this subsection was not required to file a state income tax return, the individual shall state that fact in the claim statement.

(e) The auditor of a county with whom a statement is filed under this section shall immediately prepare and transmit a copy of the statement to the auditor of any other county if the individual who claims the credit owns or is buying real property located in the other county. The county auditor of the other county shall note on the copy of the statement whether the individual has claimed a credit under this section for a homestead located in the other county. The auditor shall then return the copy to the auditor of the first county.

(f) Upon receiving a proper credit statement, the county auditor shall allow the credit equally against each installment of property taxes to which the credit applies. The county auditor shall include the amount of the credit applied against each installment of taxes on the tax statement required under IC 6-1.1-22-8.

(g) After January 31 and before February 15 of each year, each county auditor shall certify to the department of local government

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finance the number and amounts of the credits allowed under this section for that calendar year. Upon receiving the certifications, the department of local government finance shall determine the total amount of the credits allowed in each county under this section and shall certify the totals to the department of state revenue at the same time the department of local government finance certifies the total county tax levies. The department of state revenue shall distribute to each county from the property tax replacement fund the amount of credits certified for that county by the department of local government finance at the same time and in the same manner as the department of state revenue distributes the county's estimated distribution under section 10 of this chapter. Money is annually appropriated from the property tax replacement fund in an amount necessary to make the distributions.

SECTION 11. IC 6-2.3-2-2, AS ADDED BY P.L.192-2002(ss), SECTION 47, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 2. The receipt of taxable gross receipts from transactions is subject to a tax rate of one and ~~four-tenths~~ **five-tenths** percent (~~1.4%~~) **(1.5%)**.

SECTION 12. IC 6-2.3-8-1, AS ADDED BY P.L.192-2002(ss), SECTION 47, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 1. On or before the fifth day of each month, the total amount of utility receipts tax revenues received by the department in the immediately preceding month shall be deposited **as follows:**

(1) Ninety-four percent (94%) in the state general fund.

(2) Six percent (6%) in the property tax replacement fund.

SECTION 13. IC 6-3-2-1, AS AMENDED BY P.L.192-2002(ss), SECTION 70, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 1. (a) Each taxable year, a tax at the rate of three and four-tenths percent (3.4%) of adjusted gross income is imposed upon the adjusted gross income of every resident person, and on that part of the adjusted gross income derived from sources within Indiana of every nonresident person.

(b) Each taxable year, a tax at the rate of eight and ~~five-tenths~~ **six-tenths** percent (~~8.5%~~) **(8.6%)** of adjusted gross income is imposed on that part of the adjusted gross income derived from sources within Indiana of every corporation.

SECTION 14. IC 6-3-7-3, AS AMENDED BY P.L.192-2002(ss), SECTION 83, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 3. (a) All revenues derived from collection of the adjusted gross income tax imposed on corporations shall be deposited

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in the state general fund.

(b) All revenues derived from collection of the adjusted gross income tax imposed on persons shall be deposited as follows:

- (1) ~~Eighty-six~~ **Eighty-five** percent (~~86%~~) (**85%**) in the state general fund.
- (2) ~~Fourteen~~ **Fifteen** percent (~~14%~~) (**15%**) in the property tax replacement fund.

SECTION 15. [EFFECTIVE JULY 1, 2004] (a) **IC 6-1.1-21-5.2, as added by this act, applies to credit claims filed after December 31, 2003.**

(b) **IC 6-1.1-21-5.2, as added by this act, applies to property taxes first due and payable after December 31, 2004.**

(c) **IC 6-2.3-2-2, as amended by this act, applies to transactions billed after June 30, 2004.**

(d) **IC 6-3-2-1, as amended by this act, applies to adjusted gross income derived from sources in Indiana after June 30, 2004, as determined in the manner prescribed by the department of state revenue."**

Renumber all SECTIONS consecutively.

(Reference is to HB 1006 as printed January 13, 2004.)

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